

Do not write your name on the assignment. Write your name only on the back of this sheet of paper and staple your answers on the front of this sheet of paper. The computer work of the laboratory should not have your name anywhere I can easily see it. The name should only appear on the first page of the Excel file that does not have any answer on it. It should be e-mailed to me at wcsaplar@bethanywv.edu when the laboratory ends. Failure to follow these directions will cost you 1 point on the assignment.

The first part of this assignment will be done as a homework assignment and handed in at the end of the laboratory with the written part of the answers to the laboratory. The second half of this will be done during the laboratory.

Homework questions:

- 1) (15 points) Economists argue that the CPI is biased upwards. What do economists mean when they say this? Why does this phenomenon occur?
- 2) (20 points) Explain at least two problems with the unemployment numbers.
- 3) (15 points) According to our theory, which category of money, M1, M2, or M3, should be most accurate in predicting spending? Explain your logic.

Laboratory questions:

- 4) (40 points) For the data set provided, calculate the moving average, preliminary seasonal index, the adjusted seasonal index, and the seasonally adjusted sales. Make sure the equations used are on the file. I want to make sure your calculations are done correctly.
- 5) (10 points) Why do we seasonally adjust numbers for sales, unemployment, the money supply, etc.?